



## OFFICE OF THE ATTORNEY GENERAL

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### **MASTO ANNOUNCES SETTLEMENT WITH BRAKE TEAM AUTO REPAIR CHAIN**

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today that state government regulators have reached a settlement with The Brake Place d/b/a Brake Team ("Brake Team"). The settlement followed two separate joint undercover investigations by the Attorney General's Bureau of Consumer Protection and the Nevada Consumer Affairs Division in December 2007 and April 2008 targeting five of Brake Team's 11 locations in Clark County.

The investigations were undertaken after receiving complaints of alleged unfair and deceptive trade practices in Brake Team's operation of its automotive repair and maintenance businesses. This settlement is the largest to date involving an Attorney General undercover investigation of the Nevada automotive repair industry.

As part of the statewide settlement, Brake Team has agreed to pay cash restitution to individually named consumers who filed sworn complaints following the initial press conference and has agreed to perform a free brake service for 2,500 consumers who have had any repair services totaling at least \$400.00 since June 13, 2007 at any Brake Team location in Nevada. Additionally, Brake Team has agreed to pay \$45,000 in fines and penalties including civil penalties in the amount of \$37,500.00 for deceptive trade practices toward an elderly person, who served as one of the State's decoys during the investigation.

The undercover investigation in April 2008 resulted in allegations that Brake Team violated state laws by: (1) failing to comply with an agreement concerning an alleged deceptive trade violation; (2) advertising goods and services with the intent not to sell them as advertised; (3) making a false representation in a transaction; (4) falsely stating that services, replacement parts, or repairs are needed; (5) violating a state statute regulating the sale of goods or services by failing to perform repairs in accordance with the vehicle manufacturers' specifications; and (6) violating a state statute regulating the sale of goods or services by failing to perform repairs in accordance with the written estimate.

“This settlement is significant, not only for the number of consumers for whom relief will be provided, but also because it sends a message to the Nevada automotive repair industry that they must abide by consumer protection laws because state regulators are watching,” Masto said. “Abuses by the automotive repair industry, especially by those shops that harm elderly consumers, have been and will continue to be a priority for consumer protection advocates; this settlement represents a major victory in this ongoing effort,” Masto added.

The full terms of the settlement require Brake Team to:

- Revise its employee compensation structure to reduce any incentive to sell unnecessary parts and services;
- Obtain membership in the Automotive Maintenance and Repair Association;
- Train store personnel in the Motorist Assurance Program Uniform Inspection & Communication Standards;
- Institute mandatory ethics training seminars for its sales and management personnel;
- Hire a Technical Quality Assurance Manager;
- Test all brake repair technicians to ensure that they have practical, basic brake repair proficiency;
- Pay for technicians to test for Automotive Service Excellence certification;
- Implement and maintain internal quality assurance controls;
- Perform an annual cost of goods sold audit at each of its Nevada locations;
- Provide a “whistleblower” or “fraud” hotline for its employees;
- Implement a quarterly technical mystery shopper program;
- Perform a free brake service for 2,500 consumers;
- Pay restitution to individually named consumers; and
- Pay fines and penalties of \$45,000, including enhancements for an elderly person.

Consumer notification of their eligibility for restitution is being finalized and will be announced at a later date.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, [www.ag.state.nv.us/org/bcp/education.htm](http://www.ag.state.nv.us/org/bcp/education.htm) and/or the State of Nevada’s general fraud information website, [www.fightfraud.nv.gov](http://www.fightfraud.nv.gov)

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